FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2000

THE UNIVERSITY OF WINNIPEG

WINNIPEG, MANITOBA, CANADA

101-00985/

THE UNIVERSITY OF WINNIPEG

FINANCIAL STATEMENTS

for the year ended March 31, 2000

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The UNIVERSITY of WINNIPEG

Report on Financial Results
Vice-President (Finance & Administration)

The University's financial statements as of, and for the year ended, March 31, 2000 reflect the financial aspects of the:

a. undergraduate and graduate university programming (arts, science, education and theology);
b. Continuing Education Division;
c. Collegiate (an independent high school operated as a division of the University);
d. ancillary operations (Bookstore, Printing Services, Food Services and parking);
e. Institute for Urban Studies;
f. Virtuosi Concerts (MB) Inc;
g. Sponsored Research and Designated account activities (subject to the direction and/or funding of others);
h. Restricted funds (subject to internally determined restrictions as to use), and;
i. the Endowment Fund.

During the fiscal year, the University's credit courses were attended by approximately 6,200 students, who took, in aggregate, approximately 130,000 of credit hours of instruction.

The University's Statement of Financial Position, Statement I, represents a University at financial and operating risk. Current liabilities exceed current assets and Unrestricted Net Assets is in a deficit position. The annual expenditure to maintain, repair and enhance capital assets is inadequate to meet the concerns of obsolescence, effectiveness, wear and tear. While the balance of the Endowment Fund is rising much faster than the annual rate of inflation, the investment income derived therefrom is inadequate to meet the full annual cost of scholarships and bursaries, requiring the expenditure of general revenues to meet the deficiency.

Statement II, Statement of Operations, reports the revenues and expenses associated with the unrestricted and certain restricted segments of University operations on a combined basis, with the exception of Endowed investment income, gifts and expenditures and provisions related to capital assets. Overall, the University incurred a deficit on Statement II operations of $40,000 during the year ($959,000 prior to accounting for an extraordinary gain on the sale of an associated corporation). This deficit together with the transfer of $299,000 of gifts and related investment income and $842,000 to account for the projected funding deficiency related to two capital projects to Internally Restricted Net Assets (trust funds), and the net of capital asset additions less amortization of capital assets, resulted in the net deterioration in fiscal 1999-2000 of Unrestricted Net Assets by $1,618,000.

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This deficit brought the accumulated deficit of the Unrestricted Net Assets to $2,720,000. This latter number reflects the accumulation of annual general operating results of the University as related to operations not governed by restrictive covenants.

During the year, the University undertook a number of capital and major renovation projects. These projects centered on enhancements and improvements to the physical premises as well as an increased investment in the technology employed on campus (inclusive of renewed student computer laboratories).

Included in these current and capital expenditures were $1.2 million of expenditures related to the Year 2000 initiative, a project undertaken to ensure the University's computer based technology functions adequately in the new century. This expenditure was assisted in part by a special grant from the Province of Manitoba of $600,000. As well, during the year the University began the redevelopment of the former Citadel building and an expansion of the Duckworth Centre.

The Government of Manitoba has committed $3.525 million, $2.5 million of which was received April 1, 1999, towards the acquisition and redevelopment of the Citadel property formerly owned by the Salvation Army. When this project is complete, at an expected cost ranging to $8.4 million, it will provide modern facilities for the University's highly acclaimed Theatre and Drama department. The first phase of the project was completed in fiscal 1999-2000. The Duckworth Centre is forecast to cost approximately $2.5 million when complete, with financing from private donations and general revenue. With respect to these two major projects, the University has recognized a capital funding deficiency through the transfer to Internally Restricted Net Assets from Unrestricted Net Assets of $842,000.

In 1999-2000, a 3%, 8% and 2% increase in enrolments, tuition fees and the provincial government operating grant respectively, combined with a $918,000 extraordinary non-recurring gain from the sale of the University's interest in MB Net Networking Inc., were insufficient to prevent the Net Unrestricted Assets deficit of $1,618,000. Increases in a variety of cost categories related to extraordinary renovations (Y2K effort), general inflation and revised collective agreements combined to more than offset positive financial developments.

Note 15 to the statements breaks out the experience of the significant operating segments – the Collegiate, Continuing Education and Ancillary operations (Printing Services, Bookstore, Food Services and Parking).

Continuing Education's gross revenues rose significantly as the Division's ESL (English as a Second Language) program recovered from the effects of last year's economic difficulties of Asia, and contract revenue related to business and technology rose as a result of new partnerships and courses. Although the Collegiate's net results were negative for the year, reflective of transitional expenses related to academic changes and the cost of the Y2K initiative, the future holds promise. The Collegiate's results include the allocation of general overhead expenses.

The Collegiate is attended by approximately 600 students annually. Positive results for the Bookstore and Printing Services resulted in the overall strong performance of Ancillary Operations.

Academic and administrative planning is on-going at the University, as ways and means to effect programming improvements and enrolment increases while operating within the University's restricted fiscal means are being sought. There has been an on-going effort for many years to secure a level playing field in respect to provincial government grants. Despite the significant improvement in the level of government support achieved in 1988-99, the University remains under-funded relative to other Manitoba universities.

Investment earnings from endowments benefit student scholarships and bursaries, library acquisitions and other University projects. Student scholarship and bursary funding provided through annual gifts and investment earnings generated by the Endowment Fund is supplemented by an allocation of general grant and fee revenues and the Manitoba Scholarship and Bursary Initiative. Access to university education is a paramount objective of the University.

The Board of Regents of the University has adopted a balanced budget for 2000-2001. This budget, drawing on an increase in government operating support to meet inflation and a decision not to increase tuition fees, was balanced in part by a reliance on non-recurring revenue and the pension contribution holiday reported on in note 20 to the financial statements. Plans are being put in place to increase revenues from private fund raising, and, previously indicated, to attract additional enrolments.

In this latter respect, the University's programming partnership arrangements with Red River Community College, the expansion and enhancement of the University's education programming and a new student housing initiative augur well for the University's growth and quality in future years. As reported, the University's focus is on enrolment management, private fund raising and the provision of an increasingly up to-date campus and technological base. Students seek the presence of modern technology and facilities, to accompany an excellent faculty, when deciding upon a university to attend. The University of Winnipeg is committed to meeting these conditions. The University's objective remains to attract students through a continuation of high quality academic programming with enhanced facilities and services, while providing for additional gains in administrative productivity.

The University's primary assets in its effort to meet its academic mandate include its faculty, support staff, Board of Regents, alumni and other volunteers.

Graham F.J. Lane, CA
Vice-President (Finance & Administration)

June 13, 2000

The UNIVERSITY of WINNIPEG

OFFICE OF THE CONTROLLER

UNIVERSITY OF WINNIPEG

MANAGEMENT REPORT

The accompanying financial statements are the responsibility of management and have been prepared in accordance with generally accepted accounting principles. These accounting policies have been applied on a basis consistent with the prior year. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data. Management maintains internal controls to provide reasonable assurance of the reliability and accuracy of the financial information and to ensure the assets of the University are properly safeguarded.

The Board of Regents has reviewed and approved these financial statements.

On Behalf of Management

Graham F.J. Lane, C.A.
Vice-President Finance & Administration

Herb A. McMullin, C.M.A.
Controller

Winnipeg, Manitoba
June 15, 2000

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AUDITORS' REPORT

To the Board of Regents of the University of Winnipeg
To the Legislative Assembly of Manitoba

We have audited the statement of financial position of The University of Winnipeg as at March 31, 2000 and the statements of operations, changes in net assets and changes in cash flows for the year then ended. These financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the University as at March 31, 2000 and the results of its operations and its cash flows for the year then ended in accordance with generally accepted accounting principles.

Larry Unryn

Winnipeg, Manitoba
June 8, 2000

Larry Unryn, CA
for the Provincial Auditor

THE UNIVERSITY OF WINNIPEG
STATEMENT OF FINANCIAL POSITION
as at March 31, 2000
(with comparative figures for 1999)

Statement I

ASSETS

	2000 $000	1999 $000
Current Assets:		
Cash	$	$ 502
Short Term Investments (Note 3)	10,659	7,922
Accounts Receivable & Prepaid Expenses (Note 4)	2,960	4,622
Inventory	433	787
	14,052	13,833
Long Term Investments (Note 3)	17,029	14,226
Capital Assets (Note 5)	38,544	36,548
	$69,625	$64,607

LIABILITIES

	2000 $000	1999 $000
Current Liabilities:		
Bank Overdraft	$ 1,104	$
Accounts Payable & Accrued Liabilities	4,928	5,255
Deferred Revenue	1,006	1,065
Deferred Contributions (Note 7)	5,053	3,268
Unfunded Staff Benefits (Note 8)	1,589	863
	13,680	10,451
Long Term Liabilities (Note 10)	774	1,484
Deferred Capital Contributions (Note 11)	28,581	29,425
Net Assets:		
Unrestricted Net Assets	(2,720)	(1,102)
Internally Restricted Net Assets	2,345	1,204
Endowments	17,308	13,911
Investment in Capital Assets	9,657	9,234
	26,590	23,247
	$69,625	$64,607

Approved by the Board of Regents

Frank J. Hechter
Chair, Board of Regents

J. Richard C. Graydon
Chair, Finance Committee

THE UNIVERSITY OF WINNIPEG
STATEMENT OF OPERATIONS
For the Year Ended March 31, 2000
(with comparative figures for 1999)

Statement II

	2000 $000	1999 $000
REVENUE		
Government Grants	$30,220	$29,721
Student Academic Fees	17,872	16,476
Gifts, Grants & Bequests	277	106
Investment Income	1,334	1,227
Sales of Services & Products	2,629	2,396
Other Revenues	3,187	2,242
Amortization of Deferred Capital Contributions	958	906
	56,477	53,074
EXPENSE		
Salaries	33,771	32,048
Staff Benefits	3,561	3,293
Supplies, Services & Other Expenses	8,472	7,119
Cost of Sales	1,620	1,561
Building, Utility & Related Expenses	3,331	3,516
Provincial & Municipal Taxes	3,278	2,949
Scholarships & Awards	1,109	957
Amortization of Capital Assets	2,294	2,209
	57,436	53,652
EXCESS OF REVENUE OVER (UNDER) EXPENSE (Prior to Extraordinary Item)	($959)	($578)
Extraordinary Item - Sale of Interest in MBnet Networking Inc. (Note 14)	919	
NET EXCESS OF REVENUE OVER (UNDER) EXPENSE	($40)	($578)

Statement III

THE UNIVERSITY OF WINNIPEG
STATEMENT OF CHANGES IN NET ASSETS
For the Year Ended March 31, 2000
(with comparative figures for 1999)

	2000					1999
	UNRESTRICTED NET ASSETS $000	INTERNALLY RESTRICTED NET ASSETS $000	ENDOWMENTS $000	INVESTMENT IN CAPITAL ASSETS AND COLLECTIONS $000	TOTAL $000	TOTAL $000
BALANCE, BEGINNING OF YEAR AS PREVIOUSLY STATED	$ (1,028)	$643	$14,086	$9,160	$22,861	$22,245
Correction of Prior Year (Note 19)	(74)	561	(175)	74	386	386
RESTATED BALANCE, BEGINNING OF YEAR	(1,102)	1,204	13,911	9,234	23,247	22,631
Excess of Revenue (Expense)	(40)				(40)	(578)
Direct Increases to Net Assets:						
Endowment Contributions			1,893		1,893	842
Endowed Investment Earnings			1,396		1,396	291
Unspent Investment Earnings			108		108	61
Transfers:						
Internally Funded:						
Capital Asset Additions	(1,773)			1,773	0	
Amortization	1,336			(1,336)	0	
Loss on Disposal				(14)	(14)	
Capital Funding Deficiency (Note 6)	(842)	842			0	
Internally Restricted Net Assets	(299)	299			0	
NET CHANGE FOR THE YEAR	(1,618)	1,141	3,397	423	3,343	616
BALANCE, END OF YEAR	($2,720)	$2,345	$17,308	$9,657	$26,590	$23,247

THE UNIVERSITY OF WINNIPEG
STATEMENT OF CHANGES IN CASH FLOWS
For the Year Ended March 31, 2000
(with comparative figures for 1999)

Statement IV

	2000 $000	1999 $000
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
Excess of Revenue Over (Under) Expense	$ (40)	$ (578)
Items Not Affecting Cash Flow:		
Amortization of Deferred Capital Contributions	(958)	(906)
Amortization of Capital Assets	2,294	2,209
Increase (Decrease) in Non-Cash Operating Working Capital	4,141	(2,138)
	5,437	(1,413)
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES:		
(Increase) Decrease in Long Term Investments	(2,803)	(804)
Capital Asset Additions	(4,258)	(1,356)
	(7,061)	(2,160)
CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES:		
Long Term Debt Repayments	(710)	(69)
Endowment Contributions Received	1,893	842
Deferred Capital Contributions Received	184	2,651
Adjustment to Deferred Capital Contributions Received	(116)	
Endowed Investment Earnings	1,396	291
Unspent Investment Earnings	108	61
	2,755	3,776
INCREASE IN CASH AND SHORT TERM INVESTMENTS	1,131	203
CASH AND SHORT TERM INVESTMENTS, BEGINNING OF YEAR	8,424	8,221
CASH AND SHORT TERM INVESTMENTS, END OF YEAR	$9,555	$8,424

THE UNIVERSITY OF WINNIPEG
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2000

1. Authority and Purpose

The University of Winnipeg operates under the authority of the University of Winnipeg Act of the Province of Manitoba. The primary role of the University is to provide post secondary education and research in the humanities, sciences and social sciences. The University also operates the Collegiate, an independent high school and a number of other education related activities. The University is a registered charity and is exempt from the payment of income taxes.

2. Summary of Significant Accounting Policies and Reporting Practices

The financial statements have been prepared in accordance with generally accepted accounting principles.

A) General

Starting with the year, April 1, 1997 to March 31, 1998, the financial statements have been prepared in accordance with the new accounting standards of the Canadian Institute of Chartered Accountants.

The University has chosen to use the deferral method of accounting for contributions, one preferred by the Canadian Association of University Business Officers (CAUBO). Under the deferral method of accounting for contributions, restricted contributions related to expenses of future periods are deferred and recognized as revenue in the period in which the related expenses are incurred. Restricted contributions are stipulations imposed that specify how resources must be used. External restrictions are imposed from outside the organization, usually by the contributor of the resources. Restrictions on contributions may only be externally imposed.

B) Revenue Recognition

Operating grants are recognized as revenue in the period received. Revenues received for tuition fees and sales of goods and services are recognized in the period in which the goods are received or the services rendered or substantially rendered.

Deferred contributions are externally restricted non-capital and non-endowment contributions which are deferred and are recognized as revenue in the period in which the related expenses are incurred.

Externally restricted contributions for the acquisitions of capital assets having limited lives are recorded as deferred capital contributions in the period in which they are received. Amortization of deferred capital contributions is recognized as earned revenue in the periods in which the related amortization expense of the funded capital asset is recorded.

Endowment contributions are recorded as direct increases in net assets in the period in which they are received.

C) **Investments**

Investments are recorded at cost. The market value of investments is disclosed as supplementary information only.

D) **Inventories**

Bookstore and Printing inventories are valued at the lower of cost or net realizable value.

E) **Capital Assets and Collections**

Capital assets and collections purchased by the University are recorded at cost. Donated assets are recorded at estimated fair market value on the date received. Land, collections of rare books and works of art are not amortized. Capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Buildings and Additions	60 years
Lease Hold Improvements	Term of Lease
Library Acquisitions	10 years
Furnishings & Equipment	10 years
Major System Computer Software	10 years
Computer Equipment & Software	5 years
Vehicles	5 years

F) **Pension Plan**

The University contributes to The University of Winnipeg Pension Plan which is an employer-trusteed pension plan for University employees. Contributions by the University are recorded as expenses.

The accounts of The University of Winnipeg Pension Plan do not form part of the University's financial statements. The Plan's financial statements are audited by the Provincial Auditor.

G) **Endowment Investment Income Capitalization**

The University capitalizes investment income in excess of the amount required for annual distribution. The annual distribution of income is based on 5% of the 5 year average market value of the endowment fund.

H) **Use of Estimates**

In preparing the University's financial statements, management is required to make estimates and assumptions that reflect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

3. Investments

Short term investments consist of current operating and trust investments:

	March 31, 2000		March 31, 1999	
	Fair Value $000	Cost $000	Fair Value $000	Cost $000
Short Term Investments				
Short Term Notes and Treasury Bills (Statement I)	$10,659	$10,659	$7,922	$7,922

Long term investments are comprised of endowment funds:

	March 31, 2000		March 31, 1999	
	Fair Value $000	Cost $000	Fair Value $000	Cost $000
Long Term Investments				
Mennonite Studies				
Bonds and Debentures				
Government of Canada	664	600	711	600
Pooled Funds				
Bonds and Debentures	6,628	6,741	9,461	9,430
Canadian Equities	3,255	2,972	1,791	1,626
U.S. & International Equities	5,114	4,652	2,850	1,790
Property	375	287	375	287
Winnipeg Winter Club Shares	50	50		
Short Term Notes, Commercial Paper and Treasury Bills	1,727	1,727	493	493
	17,149	16,429	14,970	13,626
Long Term Investments (Statement I)	$17,813	$17,029	$15,681	$14,226

Fair value, as represented above, was derived from the market value of investments as reported to the University by the investment managers.

4. Accounts Receivable & Prepaid Expenses

The major components of Accounts Receivable and Prepaid Expenses are:

	2000 $000	1999 $000
COPSE Grant - Citadel	$	$2,500
Province of Manitoba Grant - Collegiate	338	177
Federal Grant - C-FIR	606	
Private Contributions - C-FIR	202	
Credit Notes on Trade Payables	256	278
Goods & Services Tax Rebates	145	120
Investment Income Receivable - Trust & Endowment	294	279
Student Fees	204	303
Prepaid Expenses	189	200
Interest Receivable	191	84
Other	535	681
	$2,960	$4,622

5. Capital Assets

	Cost $000	2000 Accumulated Amortization $000	Net Book Value $000	1999 Net Book Value $000
Land	$1,526	$	$1,526	$1,526
Buildings, Additions and Improvements	42,536	12,632	29,904	28,112
Library Acquisitions	10,235	8,523	1,712	1,846
Furnishings and Equipment	17,378	12,997	4,381	4,069
Collections	1,021		1,021	995
	$72,696	$34,152	$38,544	$36,548

Collections include Art Work & Rare Books recorded at fair value

The insured value of capital assets is $194.7 million.

6. Capital Funding Deficiency

Unrestricted net assets includes a transfer of $842,000 to internally restricted net assets reflecting the estimated funding deficiency associated with two capital facility enhancement and renovation projects underway as of March 31, 2000. The estimated expenditures required to complete the two projects aggregate $11.1 million. In both cases, the University expects that neither general nor private donation revenue will be available to meet the anticipated deficiency and, accordingly has recorded the deficiency in its accounts as of March 31, 2000.

7. Deferred Contributions

Deferred contributions represent contributions received for special purposes such as Sponsored Research, Designated Funds and Scholarships.

	2000 $000	1999 $000
Balance, Beginning of Year	$3,268	$3,045
Correction of Prior Year		(386)
Restated Balance, Beginning of Year	3,268	2,659
Contributions Received	2,665	969
Transferred to Revenue	(145)	
Transferred to Endowment	(735)	(360)
Balance, End of Year	$5,053	$3,268
Balance Consists of:		
Sponsored Research & Designated Funds	$2,695	$1,209
Special Purpose Trust	2,358	2,059
	$5,053	$3,268

8. Unfunded Staff Benefits

The balance of unfunded staff benefits includes:

	2000 $000	1999 $000
Accrued Vacation Pay	$811	$740
Early Retirement - Current Portion	736	80
Other	42	43
	$1,589	$863

9. Mortgage Payable

The University's mortgage on Graham Hall is payable to Canada Mortgage and Housing at 5 3/8% due April 2, 2012. The Council on Post-Secondary Education annual operating grant provides for the $40,054 annual mortgage payment.

10. Long Term Liabilities

Long term liabilities are comprised of:

	2000 $000	1999 $000
Early Retirement	$46	$713
Mortgage Payable	371	381
Supplementary Pensions Payable	357	390
	$774	$1,484

11. Deferred Capital Contributions

Deferred capital contributions represent the unexpended and unamortized contributions for the purchase of capital assets. The amortization of deferred capital contributions is recorded as revenue in the Statement of Operations.

	2000 $000	1999 $000
Balance, Beginning of Year	$29,425	$27,664
Contributions Received	184	2,651
Adjustment to Contributions Receivable	(116)	0
Loss on Disposal of Capital Assets		(14)
Gifts in Kind	26	11
Mortgage Principal Contributions	20	19
Transfer to Revenue - Amortization	(958)	(906)
Balance, End of Year	$28,581	$29,425

12. University of Winnipeg Pension Plan

The University of Winnipeg Pension Plan is a contributory defined benefit pension plan. The University established the Plan November 1, 1977. The Plan is registered with the Pension Commission of the Province of Manitoba under the University of Winnipeg Pension Plan #1416. A Pension Committee oversees the administration of the Plan, monitors the performance of investments and makes policy recommendations to the Board of Regents of the University. A trust company holds the assets under a trust agreement and provides daily administration of the Pension Plan. Professional investment managers administer the portfolio.

The Plan covers all eligible employees of the University of Winnipeg, except those who are members of the United Church of Canada Pension Plan. Permanent academic employees join the Plan on their date of employment. Permanent non-academic employees may elect to join on their date of employment but must join on their first anniversary date of employment. Under the Plan, contributions are made by Plan members and matched by the University of Winnipeg. In 1999, the University contributed $1,350,915 (1998 - $1,328,172). A member who receives benefits from the long term disability plan of the University is not required to contribute to the Plan. At December 31, 1999 the fair value of the Plan's net assets was $114,222,984 (1998 - $107,679,924).

The annual pension payable to a member on retirement is based on the member's final average earnings and years of credited service.

In accordance with the Pension Plan, an actuarial valuation is required at least every 3 years. An actuarial valuation of the University of Winnipeg Pension Plan was completed during 1997 by Eckler Partners Ltd. as of December 31, 1996 and the results of this valuation, which were extrapolated to December 31, 1999, indicated accrued pension benefits of $91,452,000 (1998 - $87,125,000).

In the event that the actuarial valuation of the Plan determines that the Plan is not fully funded, the University is responsible for providing adequate funding levels in accordance with the Pension Benefits Act of Manitoba.

13. Early Retirement Plan

The costs to effect early retirements committed in 2000 are $115,761 (1999 - $434,428) under the University's Early Retirement Plan. The current portion of $735,443 (1999 - $80,725) of incentive payments to early retirees are reflected in the Unfunded Staff Benefits line in the Current Liabilities section on Statement I. The long term portion of incentive payments of $45,722 (1999 - $712,907) to early retirees are reflected in the Long Term Liabilities section on Statement I.

In December 1997, the University approved a new Early Retirement Program providing for commitments up to December 31, 1998. Actual retirements commenced at June 1, 1998.

14. Related Party Transactions

The University of Winnipeg sold its one-third interest in MBnet Networking Inc. for a $918,517 extraordinary gain during the 1999-2000 fiscal year.

15. Segmented Operations

Included in the excess of income over expenses in the Statement of Operations is:

	2000			1999		
	Revenue $000	Expense $000	Surplus (Deficit) $000	Revenue $000	Expense $000	Surplus (Deficit) $000
Collegiate	$2,503	$3,091	($588)	$2,524	$2,692	($168)
Continuing Education	2,730	2,875	(145)	2,093	2,350	(257)
Ancillary Operations	3,240	3,014	226	2,272	2,131	141
	$8,473	$8,980	($507)	$6,889	$7,173	($284)

16. Loan Guarantees and Commitments

The University of Winnipeg has guaranteed a loan made by the Toronto Dominion Bank to the University of Winnipeg Students' Association (UWSA). The outstanding balance of the loan as at March 31, 2000 is $285,761 (1999 - $360,328). The loan was advanced to meet the UWSA's commitment in respect to the financing of the Bulman Student Centre.

The University has lease obligations with respect to its Continuing Education Division. The current lease requires annual payments of approximately $215,000 and expires on August 31, 2003.

17. Reclassification of Comparative Figures

Certain 1999 comparative figures have been reclassified to conform with the financial statement presentation adopted for 2000.

18. Uncertainty Due to the Year 2000 Issue

The Year 2000 issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the Year 2000 as 1900 or some other date, resulting in errors when information using Year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. Although the change in date has occurred, it is not possible to conclude that all aspects of the Year 2000 issue that may affect the entity, including those related to customers, suppliers, or other third parties, have been fully resolved.

19. Restatement of Prior Year

An accounting error relating to capital assets purchased during the period 1979-1984 was corrected. The net effect was a decrease in unrestricted net assets of $74,068 and an increase in investment in capital assets of $74,068.

The University determined that certain items previously recorded as restricted contributions represented unrestricted contributions. The net effect was a decrease in deferred contributions of $560,211 and an increase in internally restricted net assets of $560,211.

The University inadvertently recorded $175,000 of donations in the endowment fund that represented a capital asset contribution. The net effect was a decrease in endowments and an increase in deferred contributions.

20. Subsequent Events

On May 29, 2000, the Board of Regents declared a pension contribution holiday for the University for the period April 1, 2000 through March 31, 2002. The aggregate projected expenditures that would otherwise have been incurred during this period are $3 million. The Board also pledged to amend the Plan further on or before October 31, 2000 to provide Plan Members with enhanced benefits and cash payments to an aggregate of $3 million. These decisions are supported by an estimated Plan actuarial surplus of $13 million as of December 31, 1999.

The University established The University of Winnipeg Educational Housing Corporation (UWEHC) on April 25, 2000. The Corporation's main purpose is to provide affordable residential accommodation to persons enrolled at or participating in activities related to The University of Winnipeg. The University has guaranteed a $700,000 line of credit obtained for UWEHC.

SCHEDULE

THE UNIVERSITY OF WINNIPEG
SCHEDULE OF UNRESTRICTED NET ASSETS
For the Year Ended March 31, 2000

Schedule 1

	Operating $000	Collegiate $000	Ancillary $000	Elimination of Internal Printing Sales $000	Total $000
REVENUE					
Government Grants					
General Operating Baseline	$26,484	$1,112	$	$	$27,596
Targeted (Access Grant)	528				528
Special Funding	2,580				2,580
Equipment & Renovations	550				550
Y2K	601				601
Total Government Grants	30,743	1,112	0	0	31,855
Student Academic Fees					
Tuition Fees Credit	14,381	1,342			15,723
Tuition Fees Non-Credit	1,807				1,807
Misc. Academic Fees	328	14			342
Total Student Academic Fees	16,516	1,356	0	0	17,872
Investment Income	326	19			345
Sales of Services & Products	123		3,236	(730)	2,629
Other Revenues	3,551	16	4		3,571
Total Revenues	51,259	2,503	3,240	(730)	56,272
EXPENSE					
Faculty Salaries	15,316	971			16,287
Sessional/Term	1,132	147			1,279
Teaching Stipends	2,366	173			2,539
Teaching & Research Assistants	284	5			289
Support Staff Salaries	10,931	350	328		11,609
Casual/Sess. Term	1,209	14	86		1,309
Total Salaries	31,238	1,660	414	0	33,312
Staff Benefits	3,318	180	48		3,546
Admin. Supplies & Expenses	814	61	35		910
Telephone & Fax	47	1	2		50
Printing & Copying	601	46	5	(322)	330
Laboratory & Teaching Supplies	224	13			237
Travel	601	1	4		606
Development	596	15	1		612
Utilities	1,198	2	2		1,202
Other Services	1,337	750	458		2,545
Grants Awarded	177				177
Property Taxes	2,583				2,583
Payroll Tax	644	36	9		689
Insurance	125				125
Repairs & Maintenance	1,938	31	35		2,004
Contracted Services	2,316	160	1		2,477
Cost of Sales	63		1,965	(408)	1,620
Library Acquisitions	1,048				1,048
Capital Assets	1,754	54	36		1,844
Major Renovations	3,355				3,355
Scholarships & Awards	321	84			405
Recoveries - Internal	(1,609)				(1,609)
Interfund	(175)	(3)			(178)
Total Expenditures	52,514	3,091	3,015	(730)	57,890
Excess of Revenues Over Expenses (Stmt. III)	(1,255)	(588)	225	0	(1,618)
Unrestricted Net Assets, Beginning of Year					(1,102)
Unrestricted Net Assets, End of Year (Stmt. I)					($2,720)